

**DETERMINATION AND FINDINGS
FOR A
SOLE SOURCE PROCUREMENT**

CONTRACT NO:

CAPTION: Unemployment Insurance and Information Technology Consulting Services

PROPOSED CONTRACTOR: National Association of State Workforce Agencies (NASWA)

PROGRAM AGENCY: Department of Employment Services

FINDINGS

1. AUTHORIZATION:

D.C. Official Code §2-354.04, 27 DCMR 1304 and 1702

2. MINIMUM NEED:

Effective June 1, 2011, pursuant to the Assistance for Unemployed Workers and Struggling Families Act, Title II, Division B of Public Law No. 111-5, approved February 17, 2009 (123 Stat 439 (42 U.S.C. 1103)), DOES was authorized to use the appropriated \$27.6 million for the replacement of the current out dated legacy unemployment compensation operating system and its replacement by a fully integrated tax, benefit unemployment and reemployment system. Unemployment modernization requires three phases:

- (1) Stabilization. DOES will stabilize the legacy environment for day to day operations while DOES focuses on the development of the new system to extend the useful life of outdated legacy equipment and systems with the integration of select modern technology. This includes minimizing system failure, eliminating or reducing highly manual and paper intensive processes without a major technology and financial investment in systems past its useful life.
- (2) Research and Feasibility. This phase includes the costs for documenting current unemployment insurance processes, drafting requirements for stabilization projects, and includes a feasibility study to be conducted by vendor. During this phase, DOES will also hire the staff necessary to carry out the entire modernization project. DOES will partner with the modernization consortiums organized by the U.S. Department of Labor and the National Association of State Workforce Agencies to ensure best models for successful implementation and to pool resources when necessary.
- (3) Deployment and Conversion. This phase deploys and converts a fully integrated tax, benefit and reemployment modernized unemployment compensation system.

To update its Unemployment Insurance (UI) Benefits and Tax System, DOES requires a contractor to provide a UI IT Modernization Program Manager and technical and advisory services to provide: (1) UI IT Modernization and Best Practices Advisory Services in project planning, strategies, and organizational build-out; (2) assistance to DOES in completing a Business Process Analysis, of both manual and IT processes, to identify business needs and determine solutions to current business problems, included a comprehensive “as-is” analysis of all current UI business processes, a review of all current Standard Operating Procedures (SOPs), and a detailed security audit; (3) UI IT Modernization Best Practices Requirements Development, including UI functional expertise support and with a focus on “as is” internal system assessments and development and implementation of SPOs; (4) UI IT Modernization Best Practices Technical Architecture activity; and (5) assistance to DOES in the review of project deliverables from any vendors involved in the planning and RFP phase of DOES’s UI IT Modernization Project.

The contractor must have a broad array of resources available to include not only subject-matter expertise on UI benefits, but also IT expertise in the context of UI compensation programs and projects. The contractor also must have a detailed knowledge of best practices in the various states and detailed knowledge of federal unemployment compensation laws, regulations and requirements for UI benefits programs and system; and the contractor must have had experience in assisting other states with their UI modernization efforts. Additionally, the contractor must be able to start immediately in order to meet the USDOL’s mandates for improved security in DOES’s current system and modernization of the UI benefits program and system. Any improvements and modernization to the DOES UI system must be approved by USDOL, and must be consistent with the UI systems in other states.

3. ESTIMATED REASONABLE PRICE:

The estimated reasonable price is \$478,440.

4. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:

The National Association of State Workforce Agencies (NASWA) is the only contractor that can meet the District’s needs. NASWA is a nonprofit national organization of state administrators of unemployment insurance, employment and training services, and labor market information programs in the 50 states, the District of Columbia, Puerto Rico, and Guam. The Center for Employment Security Education Research (CESER) under NASWA is a leading education and research center focused on workforce development and unemployment insurance issues. CESER is the sole organization representing the 52 state workforce agencies, including the District and Puerto Rico, that administer UI benefits, trade adjustment assistance, workforce development programs, labor exchange services, and labor market information. Additionally, CESER is the home of the Information Technology Support Center (ITSC) which was established through a competitive grant from the USDOL to the State of Maryland to promote the development of UI IT enhancements for, and information-sharing among, state UI agencies. ITSC is dedicated to developing and

advancing information technology solutions that provide more accurate, cost-effective, and timely services for UI customers and staff. ITSC, through NASWA, helps establish and maintain national workgroups and multistate consortia that allow the USDOL and state UI agencies to more easily share ideas and develop workplans to more efficiently and effectively operate a UI system. NASWA is the convenor and facilitator for the consortiums and therefore is uniquely positioned to do this work.

NASWA, through CESER, provides direct and sole access to the most current information on developments in state workforce systems. CESER has unique partnerships with researchers and program managers throughout the United States. ITSC is in the unique position, through the national workgroups and multi-state consortia, to obtain information on the best practices of all states, and to have the input of the USDOL on the various approaches that states have considered or have implemented since USDOL will turn to ITSC for guidance and support when modernizing UI IT systems. ITSC also has the required IT expertise and the specialized UI knowledge, as ITSC is a national clearinghouse of technical information and knowledge repository.

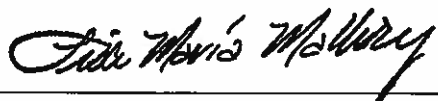
Since the District's system must conform to USDOL statutory, regulatory, and policy requirements, NASWA (through CESER and ITSC) is the only contractor that can provide immediately the services required. NASWA has the staff, the IT expertise, and the specialized UI knowledge necessary for this contract. No other organization has the perspective of the best practices being considered and implemented in the other states. Consistency with other states is crucial since the USDOL is requiring that, and DOES must obtain USDOL of any system adjustments or modernization efforts. NASWA, through CESER and ITSC) alone is positioned to provide broad-based technical assistance and training products for use by state agencies. There is no other organization offering the same services, which are unique to UI Modernization Projects.

A market survey was not conducted because DOES staff is not aware of any other organization with such a national perspective, such expertise, and such collaboration with the USDOL.

5. CERTIFICATION BY AGENCY HEAD:

I hereby certify that the above findings are true, correct and complete.

12/8/11
Date


Director, Department of Employment Services

6. CERTIFICATION BY CONTRACTING OFFICER:

I have reviewed the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify that the notice

of intent to award a sole source contract was published in accordance with 27 DCMR 1304 and that [no response was received] [the response received was rejected because _____]. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Date

Contracting Officer

DETERMINATION

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under either Section 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.02 or 2-354.03). Accordingly, I determine that the District is justified in using the sole source method of procurement.

Date

James D. Staton, Jr.
Chief Procurement Officer